

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 01837 260850 Z

20

ACTION AID-59

INFO OCT-01 EA-11 ADP-00 CIAE-00 COME-00 EB-11 FRB-02

INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 NSC-10 SS-14 STR-08

CEA-02 H-02 PRS-01 USIA-12 RSR-01 IGA-02 AGR-20 L-03

PA-03 /202 W

----- 019227

R 260741 Z MAR 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 6976

LIMITED OFFICIAL USE SEOUL 1837

E. O. 11652: N/A

TAGS: EAID, KS

SUBJECT: ROKG ASKS U. S. HELP DELAY EXCLUSION FROM IDA
BENEFICIARY LIST

SUMMARY: ROKG HAS BEEN ADVISED THAT KOREA WILL NOT BE ELIGIBLE FOR
IDA LOANS AFTER JULY 1. KOREA REQUESTS USG ASSISTANCE IN
OBTAINING POSTPONEMENT. MISSION BELIEVES KOREAN REQUEST
MAY POSSIBLY HAVE SUFFICIENT VALIDITY TO JUSTIFY USG SUPPORT.

1. ROKG FOREIGN MINISTRY HAS REQUESTED GOOD OFFICES OF
U. S. EXECUTIVE DIRECTOR OF IBRD TO OBTAIN RECONSIDERATION
IBRD DECISION TO EXCLUDE KOREA FROM IDA LOAN FINANCING AS
OF JULY 1, 1973. IBRD DECISION REPORTEDLY MADE ON BASIS
KOREAN ECONOMIC PROGRESS RECENT YEARS AND FACT THAT 1972
PER CAPITA GNP OF \$302 ABOVE IDA \$300 CUT OFF LEVEL
ESTABLISHED IN 1968. IN PRESENTING ARGUMENT TO EMBOFF,
MOFA INTERNATIONAL ECONOMIC AFFAIRS BUREAU DIRECTOR CHOE,
HO CHUNG STRESSED SERVICING REQUIREMENTS OF \$2.6 BILLION
OUTSTANDING FOREIGN DEBT, EMPHASIS ON AGRICULTURAL DEVELOP-
MENT IN HTIRD FIVE YEAR PLAN, AND FACT KOREAN PER CAPITA
INCOME IS STILL IN LOWER BRACKET OF DEVELOPING WORLD AS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 01837 260850 Z

JUSTIFICATION FOR CONTINUED IDA PARTICIPATION IN KOREAN PROJECTS THROUGH 1976, PLAN' S FINAL YEAR. HE QUESTIONED VALIDITY OF \$300 IDA CUTOFF LEVEL NOW, IN VIEW DOLLAR INFLATION SINCE THAT LEVEL ESTABLISHED. EMBOFF REPLIED THAT REQUEST WOULD BE FORWARDED TO DEPARTMENT, BUT IN VIEW CLEAR EVIDENCE KOREAN ECONOMIC PROGRESS, 1972 BALANCE PAYMENTS IMPROVEMENT, AND PROJECTIONS OF DECLINING DEBT SERVICE RATIO HE COULD NOT SAY WHETHER USG - OR EVEN EMBASSY - WOULD SUPPORT ROKG REQUEST. CHOE INDICATED JAPANESE GAVE RELUCTANT PROMISE OF SUPPORT; NO RESPONSE YET FROM SIMILAR REQUESTS TO U. K. AND GERMANY.

2. COMMENT: KOREAN CASE IS OBVIOUSLY PART OF LARGER ISSUE OF STRICT ENFORCEMENT OF IDA RULE. ONLY VALID KOREAN ARGUMENT IN OUR VIEW IS THAT DOLLAR INFLATION AND DEVALUATIONS MAY JUSTIFY NEW BENCHMARK OR AT LEAST POSTPONEMENT OF PROMPT ACTION ON MARGINAL CASES, E. G. WAIT FOR GNP PER CAPITA TO EXCEED \$300 FOR TWO CONSECUTIVE YEARS , RATHER THAN ONE.

3. COPY MOFA AIDE MEMOIR BEING POUCHED. HABIB

LIMITED OFFICIAL USE

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SEOUL01837
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730336/aaaaifpc.tel
Line Count: 88
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Nov-2001 by kelleyw0>; APPROVED <19-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971223
Subject: ROKG ASKS U. S. HELP DELAY EXCLUSION FROM IDA BENEFICIARY LIST
TAGS: EAID, KS
To: AID
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005